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11 Attorneys for USACM Liquidating Trust

12 **UNITED STATES BANKRUPTCY COURT**
 13 **DISTRICT OF NEVADA**

14 In re:

15 USA COMMERCIAL MORTGAGE
 16 COMPANY,
 17 USA CAPITAL REALTY ADVISORS,
 18 LLC,
 19 USA CAPITAL DIVERSIFIED TRUST
 20 DEED FUND, LLC,
 21 USA CAPITAL FIRST TRUST DEED
 22 FUND, LLC,¹
 23 USA SECURITIES, LLC,²

24 Debtors.

25 **Affects:**

- 26 All Debtors
- USA Commercial Mortgage Company
- USA Capital Realty Advisors, LLC
- USA Capital Diversified Trust Deed Fund, LLC
- USA Capital First Trust Deed Fund, LLC
- USA Securities, LLC

27 Case No. BK-S-06-10725-LBR
 28 Case No. BK-S-06-10726-LBR
 29 Case No. BK-S-06-10727-LBR
 30 Case No. BK-S-06-10728-LBR¹
 31 Case No. BK-S-06-10729-LBR²

32 **CHAPTER 11**

33 Jointly Administered Under Case No.
 34 BK-S-06-10725 LBR

35 **RESPONSE TO THE RIEGER'S
 36 OBJECTION TO DRAFT ORDER
 37 DENYING SUMMARY JUDGMENT**

38 On December 20, 2007, the Court heard the USACM Liquidating Trust's Motion
 39 for Summary Judgment Regarding Responses to USACM Trust's First Through Third
 40 Omnibus Objections to Claims Asserting a Priority Status ("Motion") [DE 4291] as that
 41 motion related to Proof of Claim No. 10725-01739 filed by Larry and Patsy Rieger. The

42 ¹ This bankruptcy case was closed on October 12, 2007.

43 ² This bankruptcy case was closed on December 26, 2007.

1 Motion sought to reclassify the Rieger's priority claim as a general unsecured claim. At
 2 the hearing, the Court denied the Motion. On January 29, 2008, the USACM Trust
 3 uploaded a form of order for the Court's consideration.

4 The Riegers have filed an objection to the order [5754], which claims that the Court
 5 ordered that the Rieger's priority claim be "rolled with" the Rieger's other unsecured non-
 6 priority claims and mediated by the Trust "within a specified time frame." The Rieger's
 7 objection includes a copy of the transcript from the hearing. Following much discussion
 8 about how to handle the Riegers' claims, on pages 21 to 23 of the transcript, the Court
 9 simply denies the Motion without combining the claims, requiring mediation or setting
 10 any deadlines. This makes sense. The Trust is not yet in a position to start negotiating
 11 specific direct lender claims because so many loans remain outstanding.

12 As an aside, in early January, the Trust offered to meet with the Riegers to review
 13 the accounting related to the prepaid interest deductions in hopes of resolving the Rieger's
 14 priority claim. The Riegers have not responded to the Trust's offer.

15 The Court should sign the proposed form of order as it accurately reflects the
 16 Court's ruling.

17 Dated: February 7, 2008.

18 LEWIS AND ROCA LLP

20 By /s/ Rob Charles (#6593)

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1 Copy of the foregoing mailed by first class
2 Postage prepaid U.S. mail
on February 7, 2008 to:

3 Larry and Patsy Rieger, Trustees
4 The Larry L. Rieger and
5 Patsy R. Rieger Revocable Trust
Dtd 8/14/91
6 2615 Glen Eagles Drive
Reno, NV 89523
7

8 August B. Landis
9 Assistant United States Trustee
Office of the U.S. Trustee
10 Las Vegas Field Office
Suite 4300
11 300 Las Vegas Blvd., So.
Las Vegas, NV 89101
12

13 /s/ Renee L. Creswell
14 Renee L. Creswell
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